

**THE NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY  
MINUTES OF THE FULL BOARD MEETING  
TUESDAY, MAY 17, 2012 – 5:30 P.M.**

The regular monthly meeting of the Board of the Non-Flood Protection Asset Management Authority of the Orleans Levee District was held on Tuesday, May 17, 2012 at 5:30 P.M., in the Lake Vista Community Center, 2<sup>nd</sup> Floor, 6500 Spanish Fort Blvd., New Orleans, Louisiana after due legal notice of the meeting was sent to each Board member, the news media, and a copy of the call was posted.

Commissioner Hoffman chaired the Board meeting in Chairman Lupo's absence. The meeting was called to order at 5:37 p.m. and Chairman Hoffman led in the Pledge of Allegiance. The roll was called and a quorum was present.

**PRESENT:**

Chairman William Hoffman  
Secretary Greg Ernst  
Commissioner Wilma Heaton  
Commissioner Michael Stack  
Commissioner Stanley Brien  
Commissioner Carlton Dufrechou  
Commissioner Darrel Saizan  
Commissioner William Hoffman  
Commissioner John Trask  
Commissioner Romona Baudy

**ABSENT:**

Chairman Robert E. Smith Lupo  
Vice-Chairman Joe Hassinger  
Commissioner Pearl Cantrelle  
Commissioner Patrick DeRouen

**STAFF:**

Louis Capó, Executive Director  
Sharon Martiny, Non-Flood  
Dawn Wagener, Non-Flood

**ALSO PRESENT:**

Al Pappalardo - Real Estate Consultant  
Gerard Metzger - Legal Counsel  
Steve Nelson – Stuart Consulting  
Chris Fenner – Stuart Consulting  
Walter Baudier – DEI  
Wesley Mills – DEI  
John Karlin - DEI  
Jay Taffet – AeroPremier  
Valentino Rovere - AeroPremier  
Harold Baur – UNO  
Tim Gaines – URS  
Randy Maddox – Morrison Insurance  
Bill Burke – Premier Event Management  
Scott Zimmerman – Hawthorne  
Steven Levesque – Hawthorne  
Roy Arrigo – 17<sup>th</sup> Street Canal Coalition  
Craig Berthold – 17<sup>th</sup> Street Canal Coalition  
Kort Hutchison – South Shore Harbor Yacht Club  
Jeanne Hutchison - South Shore Harbor Yacht Club  
Ray Landeche – Lakeshore resident  
Jay Lapare  
Chris Clement  
Bruce Thompson

### **ADOPT AGENDA**

Commissioner Heaton offered a motion to change the order of items on the Agenda, seconded by Commissioner Baudy and unanimously adopted by a roll call vote.

### **APPROVAL OF PRIOR MINUTES**

Commissioner Brien offered a motion to approve the minutes of the Board meeting held April 17, 2012, seconded by Commissioner Trask and unanimously adopted.

### **COMMITTEE REPORTS**

#### **Airport Committee**

Commissioner Saizan advised that the motions brought before the Airport Committee will be discussed in motions during this evening's meeting.

#### **Marina Committee**

Commissioner Brien stated that all matters discussed at the Marina Committee meeting were addressed in the motions.

#### **Commercial Real Estate**

The May 3, 2012 Commercial Real Estate meeting was cancelled.

#### **Recreation/Subdivision Obligation**

All issues with at the Recreation/Subdivision Committee will be addressed in the motions.

#### **Legal Committee**

Commissioner Ernst addressed House Bill 699 that was to transfer the Airport and informed the members that, per the Authority's Resolution adopted April 17, 2012, the language transferring Lakefront Airport was stricken from the Bill. The Bill has not been removed from the files of the Senate. There is some technical language left which is causing some concern and could be problematic.

#### **Finance Committee**

Chairman Hoffman advised that the issues brought up in the Finance Committee meeting will be discussed in the meeting tonight.

### **NEW BUSINESS**

#### **Motion No. 01-051712 – to approve Assignment of lease by AeroPremier Jet Center, LLC to Hawthorne New Orleans, LLC**

This motion authorizes the assignment of the lease with AeroPremier to Hawthorne New Orleans, LLC subject to the conditions set forth in the Resolution. The Management Authority is also requested to approve and ratify the execution of the Letter Agreement by the Executive Director which is attached to the Resolution.

Commissioner Saizan noted that this is the assignment of the AeroPremier lease to Hawthorne which is going to be another strong FBO at Lakefront Airport. This is an exciting opportunity and a great addition to Lakefront Airport. This assignment comes when Lakefront Airport is preparing for the Super Bowl. All three of the FBOs will be very busy for that event and all events leading up to the Super Bowl.

Motion No. 01-051712 by Commissioner Saizan, seconded by Commissioner Heaton was unanimously adopted to wit:

**MOTION:** 01-051712  
**RESOLUTION:** 01-051712  
**BY:** COMMISSIONER SAIZAN  
**SECONDED BY:** COMMISSIONER HEATON

May 17, 2012

**RESOLUTION**

**WHEREAS**, the Non-Flood Protection Asset Management Authority (“Management Authority”) is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District, and is also the successor of the former Board of Commissioners of the Orleans Levee District and the Division of Administration of the State of Louisiana;

**WHEREAS**, the New Orleans Lakefront Airport (“Airport”) is one of the non-flood assets of the District under the management and control of the Management Authority;

**WHEREAS**, on April 8, 2008 the Orleans Levee District, then under the management and control of the Division of Administration of the State of Louisiana, entered into a Lease with AeroPremier Jet Center, L.L.C. (“AeroPremier”), effective June 1, 2008, for a term of five (5) years, with three (3) five year options to renew, for the purpose of the operation of a fixed base operation at the Airport (the “Lease”);

**WHEREAS**, AeroPremier desires to assign the Lease to Hawthorne New Orleans, L.L.C., a Delaware Limited Liability Company (“Hawthorne”), and Hawthorne will continue to operate the fixed base operation at the Airport;

**WHEREAS**, pursuant to Paragraph XV of the Lease, the lessor’s approval is required for the assignment of the Lease;

**WHEREAS**, this matter was presented to the Airport Committee at its meeting held on March 6, 2012, and in view of certain unresolved issues over the Lease, the Committee voted to send this matter to the full board without a recommendation;

**WHEREAS**, the Executive Director of the Management Authority and representatives of AeroPremier have resolved all of these issues, as set forth in the attached letter agreement dated on May 11, 2012;

**WHEREAS**, after considering the request of AeroPremier for the assignment of the Lease to Hawthorne, and the recommendations of the Authority’s staff, consultants and legal counsel, the Authority concluded that it is in the best interest of the Airport and Orleans Levee District to approve the assignment of the Lease by AeroPremier to Hawthorne, subject to the following conditions:

1. Execution of an amendment of the Lease or other agreement by Hawthorne assuming all of the lessee’s obligations under the Lease; and
2. Amending the Lease to correct the property description of the North Hangar on the leasehold premises, formerly known as the McDermott and Tidewater Hangar, in accordance with the survey by Dading, Marques and Associates, Inc., a copy of which is attached to the letter agreement which is attached hereto.

**BE IT HEREBY RESOLVED**, that the Management Authority approves the assignment of the Lease by AeroPremier to Hawthorne, subject to the conditions set forth above;

**BE IT HEREBY FURTHER RESOLVED**, that the Management Authority approves and ratifies the execution of the attached letter agreement by the Executive Director; and,

**BE IT HEREBY FURTHER RESOLVED**, that the Management Authority Chairman or Executive Director be and is hereby authorized to sign any and all documents necessary to carry out the above.

**AYES:** ERNST, BAUDY, HOFFMAN, HEATON, STACK, BRIEN, DUFRECHOU, TRASK, SAIZAN

**NAYS:**

**ABSTAIN:**

**ABSENT:** LUPO, HASSINGER, CANTRELLE, DEROUEN

**RESOLUTION ADOPTED:** YES

**Motion No. 02-051712 – To approve request by UNO to place signage on Lakeshore Drive**

This motion is for approval of the request by the University of New Orleans to place signage on Lakeshore Drive between the entrance and exit ramps on the north side of the UNO campus.

Mr. Capo noted UNO proposed the new ramps that are on Lakeshore Drive which were approved by the Flood Authority. The Recreation/Subdivision Committee gave UNO permission to remove a dead tree and place a permanent sign for UNO in that location. Mr. Baur advised that there will be no sight issues as the sign is only 5’ 4” tall and will be set back 6 feet from the curb.

Motion No. 02-051712 by Commissioner Hassinger, seconded by Commissioner Heaton was unanimously adopted to wit:

**MOTION: 02-051712**  
**RESOLUTION: 02-051712**  
**BY: COMMISSIONER HASSINGER**  
**SECONDED BY: COMMISSIONER HEATON**

May 17, 2012

**RESOLUTION**

**WHEREAS**, the Non-Flood Protection Asset Management Authority (“Management Authority”) was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010, and is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District;

**WHEREAS**, a certain parcel of ground along Lakeshore Drive was approved by the Flood Division of the Orleans Levee District to allow for ingress and egress to the north side of the University of New Orleans (UNO) campus;

**WHEREAS**, UNO has requested permission to place a permanent sign on Lakeshore Drive between the entrance and exit ramps on Lakeshore Drive; and,

**WHEREAS**, the placement of the proposed sign was reviewed by the Recreational/Subdivision Committee on May 3, 2012, which recommended approval of the placement of the proposed sign.

**BE IT HEREBY RESOLVED**, that the Management Authority approves the placement of the sign proposed by UNO at the proposed location between the entrance and exit ramps on the north side of the UNO campus on Lakeshore Drive; and,

**BE IT HEREBY FURTHER RESOLVED**, that the Authority Chairman or Executive Director is hereby authorized to sign any and all documents necessary to carry out the above.

**AYES: ERNST, BAUDY, HOFFMAN, HEATON, STACK, BRIEN, DUFRECHOU, TRASK, SAIZAN**

**NAYS:**

**ABSTAIN:**

**ABSENT: LUPO, HASSINGER, CANTRELLE, DEROUEN**

**RESOLUTION ADOPTED: YES**

**Motion No. 03-051712**

**For approval for use of South Shore Harbor for triathlon events**

This motion is for the approval of a request by Mr. Bill Burke, President of Premier Event Management, LLC, to use South Shore Harbor for triathlon events. The use of South Shore Harbor Marina for a June 24, 2012 5150 triathlon event and any subsequent events is conditioned upon Premier Event Management contributing \$5,000 to the Management Authority for each event to be used for South Shore Harbor capital and/or physical improvements, and \$10,000 for the use of South Shore Harbor Marina. The events will be conducted consistent with the Authority’s operation of South Shore Harbor.

Commissioner Brien noted that Mr. Capo, Mr. Pappalardo and Mr. Burke had a meeting with the tenants of South Shore Harbor Marina to discuss the use of South Shore Harbor Marina for triathlon events. The South Shore Harbor tenants were supportive of hosting these events.

Kort Hutchison, Commodore for South Shore Harbor Yacht Club, stated that the Board of Directors for the Yacht Club support this issue and have established an ad-hoc committee which will coordinate with the tenants and Mr. Burke’s organization to make this event successful. The Yacht Club will provide refreshments and food for guests and spectators for the event which scope will be established at the first meeting.

Motion No. 03-051712 by Commissioner Brien, seconded by Commissioner Baudy was unanimously adopted to wit:

**MOTION:** 03-051712  
**RESOLUTION:** 03-051712  
**BY:** COMMISSIONER BRIEN  
**SECONDED BY:** COMMISSIONER BAUDY

May 17, 2012

**RESOLUTION**

**WHEREAS**, the Non-Flood Protection Asset Management Authority (“Management Authority”) was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010, and is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District;

**WHEREAS**, Premier Event Management organizer of the Ochsner Ironman 70.3, 5150 Triathlon, and other triathlon series, and through its Owner/Operations Director, Bill Burke, has requested to use South Shore Harbor Marina for upcoming events;

**WHEREAS**, the first event, the 5150 Triathlon, will be held on June 24, 2012, and dates for the two or three subsequent events will be determined at a later date;

**WHEREAS**, Premier Event Management has agreed to provide the required insurance, and to pay \$5,000.00 per event to the Management Authority and \$10,000.00 per event for the use of South Shore Harbor for Capital or other Physical Improvements to South Shore Harbor;

**WHEREAS**, this matter was heard at the May 1, 2012 Marina Committee and was recommended to the full board for approval;

**WHEREAS**, several meetings were held regarding South Shore Harbor as a host for these events, including a public forum by Bill Burke on May 1, 2012 and a meeting with the South Shore Harbor Yacht Club; and,

**WHEREAS**, the event is anticipated to have music, live or recorded, food and refreshments available for purchase by spectators and the general public, and

**WHEREAS**, it is in the best interest of the Management Authority to approve the use of South Shore Harbor for these events under the terms set forth above, and at the Management Authority’s discretion to contract with food and beverage concessionaires, and

**THEREFORE BE IT RESOLVED**, that the Management Authority approves the request by Premier Event Management to use South Shore Harbor Marina for the June 24, 2012 5150 Triathlon event and for two to three subsequent events, conditioned upon Premier Event Management paying \$5,000.00 per event toward South Shore Harbor Capital or other Physical Improvements and \$10,000.00 per event for the use of South Shore Harbor Marina to the Management Authority, and the events are conducted consistent with the Authority’s operation of South Shore Harbor; and,

**BE IT FURTHER RESOLVED**, that the Management Authority Chairman or Executive Director is hereby authorized to sign any and all documents necessary to carry out the above.

**AYES:** ERNST, BAUDY, HOFFMAN, HEATON, STACK, BRIEN, DUFRECHOU, TRASK, SAIZAN

**NAYS:**

**ABSTAIN:**

**ABSENT:** LUPO, HASSINGER, CANTRELLE, DEROUEN

**RESOLUTION ADOPTED:** YES

**Motion No. 04-051712 - Request by Stuart Consulting Group, Inc. for approval to increase cap for project management and direct administration fees for FEMA projects**

This motion is for approval to increase the cap on project management and direct administration fees on FEMA projects under contract with Stuart Consulting Group, Inc.

Chairman Hoffman informed that during the course of this year Stuart Consulting looked at several FEMA related projects which have been rewarded by at various times. This will result in the Authority going over that budget this year. The contract will be amended to increase the cap to enable Stuart to continue

services and negotiations for the Authority with FEMA on projects that the Authority has before them and all PW issues.

Motion No. 04-051712 by Commissioner Hoffman, seconded by Commissioner Ernst was unanimously adopted to wit:

**MOTION:** 04-051712  
**RESOLUTION:** 04-051712  
**BY:** COMMISSIONER HOFFMAN  
**SECONDED BY:** COMMISSIONER ERNST

May 17, 2012

**RESOLUTION**

**WHEREAS**, the Non-Flood Protection Asset Management Authority (“Management Authority”) is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District;

**WHEREAS**, the Management Authority and Stuart Consulting Group, Inc. entered into a written contract on the 15<sup>th</sup> day of June, 2010 to provide Project Management and Direct Administration services for all Hurricane Katrina Damage Repairs of non-flood assets owned by the Orleans Levee District (the “Contract”);

**WHEREAS**, the original contract was formulated to include fees for project management based on a level of services related to estimated construction costs for active, closed, and upcoming project;

**WHEREAS**, subsequent bid results and change orders for active projects have been received and additional services relative to actual project scopes;

**WHEREAS**, projects which had no obligated funding at the time of contract execution were investigated and pursued to the fullest practicable extent at the request of the Management Authority;

**WHEREAS**, the need for additional Project Management and Direct Administration services on the following FEMA related projects has arisen:

1. Airport Terminal Building Interior restoration in the amount of \$196,248 relative to the \$7.7 Million current construction cost; and,
2. Miscellaneous small projects to pursue potential reimbursement totaling \$25,726 (See attachment A); and,

**WHEREAS**, the aforementioned funds should not have to come from general operating funds, but from reimbursement of expended funds obtained through closeout efforts.

**THEREFORE, BE IT HEREBY RESOLVED**, that the Authority Chairman or Executive Director be and is hereby authorized to execute any and all documents necessary to carry out the above.

**AYES:** ERNST, BAUDY, HOFFMAN, HEATON, STACK, BRIEN, DUFRECHOU, TRASK, SAIZAN

**NAYS:**

**ABSTAIN:**

**ABSENT:** LUPO, HASSINGER, CANTRELLE, DEROUEN

**RESOLUTION ADOPTED:** YES

**Motion No. 05-051712 – For approval to issue Request for Qualifications for consulting services at Lakefront Airport**

Motion No. 05-051712 is to approve issuance of a Request for Qualifications for consulting services to solicit responses from qualified applicants for consulting services for the New Orleans Lakefront Airport.

Commissioner Saizan advised URS prepared the Master Plan and this request is in line with what the Authority has as a vision for the future of Lakefront Airport.

Mr. Metzger informed that the Request for Qualifications could be issued without a Board Resolution. The consultation involved will involve compliance issues with the FAA. Commissioner Baudy noted that the Authority will be sensitive to the diversity portion of what is needed because the FAA will be monitoring DBE compliance. Chairman Hoffman added that one item will be to help develop and monitor the implementation of the DBE participation plan in accordance with FAA requirements.

There currently is no budget item for this. Part of this process is to determine the cost for this service. The Request will come in with a rate sheet and will be an item by item selection process that will look at for compliance issues. The service will have to be budgeted in the future in order to utilize any of the services.

Commissioner Saizan added that URS does not presently provide the services the Authority is seeking with the Request for Qualifications. The Request for Qualifications would be a precise definition of what services are needed and why. The Airport is trying to complete the Part 139 application so Lakefront Airport will become the premier general aviation facility that it was years ago. Commissioner Heaton noted that before a contract is executed it will be reviewed by this Board after recommendation from the Finance and Airport Committees.

Motion No. 05-051712 by Commissioner Saizan, seconded by Commissioner Trask was unanimously adopted to wit:

**MOTION:** 05-051712  
**RESOLUTION:** 05-051712  
**BY:** COMMISSIONER SAIZAN  
**SECONDED BY:** COMMISSIONER TRASK

May 17, 2012

**RESOLUTION**

**WHEREAS**, the Non-Flood Protection Asset Management Authority (“Management Authority”) is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District;

**WHEREAS**, the New Orleans Lakefront Airport (“Airport”) is one of the non-flood assets of the District under the management and control of the Management Authority;

**WHEREAS**, the Lakefront Airport was built in the 1930’s and at the time of it’s grand opening it was considered an architectural masterpiece, and was the first major airport in the region, and the Airport remains a major general aviation airport and one of the busiest airports today in Louisiana;

**WHEREAS**, the Airport suffered devastating damage as a result of Hurricane Katrina in August of 2005, and since then through the efforts of the State of Louisiana and Management Authority, the Airport is being rebuilt, including a complete restoration of the Art Deco 1934 Terminal and Administration Building, which is scheduled to reopen in August of this year;

**WHEREAS**, at the December, 2011 Airport Committee Meeting of the Management Authority presentations were made by Mr. Adrian Bruneau with U. S. Airports, L.L.C., Mr. Anthony Marino, the Director of Aviation of the Baton Rouge Metropolitan Airport and Stuart Consulting Group, Inc. on airport consulting services available to the Management Authority, including on compliance issues with FAA rules and regulations, revenue and grant funding identification, and needs assessment for the operations, administration and facilities of the Airport;

**WHEREAS**, after the December, 2011 Committee Meeting, counsel for the Management Authority was requested to prepare a Request for Qualifications for Consulting Services for the New Orleans Lakefront Airport;

**WHEREAS**, the Request for Qualifications was presented to the Airport Committee at its meeting held on May 1, 2012, and after reviewing the Request for Qualifications, the Airport Committee unanimously voted to recommend issuance of the Request for Qualifications for consulting services for the Airport, a copy of which is attached to this Resolution (“RFQ”);

**WHEREAS**, after reviewing and considering the Request for Qualifications, the Management Authority concluded that it was in the best interest of the Airport and Orleans Levee District to authorize the Executive Director of the Management Authority to issue the Request for Qualifications on behalf of the Management Authority to solicit responses from qualified applicants.

**BE IT HEREBY RESOLVED**, that the Executive Director of the Management Authority be and is hereby authorized to issue the Request for Qualifications to solicit responses from qualified applicants for consulting services for the New Orleans Lakefront Airport; and,

**BE IT HEREBY FURTHER RESOLVED**, that the Authority Chairman or Executive Director be and is hereby authorized to sign any and all documents necessary to carry out the above.

**AYES:** ERNST, BAUDY, HOFFMAN, HEATON, STACK, BRIEN, DUFRECHOU, TRASK, SAIZAN

**NAYS:**

**ABSTAIN:**

**ABSENT:** LUPO, HASSINGER, CANTRELLE, DEROUEN

**RESOLUTION ADOPTED:** YES

**Motion No. 06-051712 – For approval of open slip leases at Orleans Marina with fixed rental rate, three year term and 10% annual surcharge for funding capital improvements**

This motion is for the approval of open slip leases at Orleans Marina with a fixed rental term of three years and assessment of an annual surcharge fee of 10% to fund capital improvements and major maintenance at the Marina. The leases would be effective July 1, 2012 and the lease further includes an annual cancellation clause in favor of the tenants of the slip leases in the Orleans Marina.

Commissioner Brien noted that this was originally slated as a 10% rent increase. After a lengthy committee meeting, commitments were made to the Marina tenants that those monies would be put back into the Marina. Chairman Hoffman added that through meetings with the Marina tenants a solution was reached that met the needs of everyone which allowed for continued improvements at the Marina itself.

Motion No. 06-051712 by Commissioner Brien, seconded by Commissioner Hoffman was unanimously adopted to wit:

**MOTION: 06-051712**  
**RESOLUTION: 06-051712**  
**BY: COMMISSIONER BRIEN**  
**SECONDED BY: COMMISSIONER HOFFMAN**

May 17, 2012

**RESOLUTION**

**WHEREAS**, the Non-Flood Protection Asset Management Authority (“Management Authority”) is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District (the “District”);

**WHEREAS**, the non-flood protection assets managed and controlled by the Management Authority include the Orleans Marina;

**WHEREAS**, the Orleans Marina includes slip leases which are leased on an annual basis to tenants;

**WHEREAS**, the Orleans Marina was damaged by Hurricane Katrina in 2005 and was repaired after the Hurricane with FEMA funding;

**WHEREAS**, since Hurricane Katrina the District has not had available funds to expend on capital improvements and major maintenance needed at the Orleans Marina;

**WHEREAS**, the Marina Manager has recommended the assessment of a 10% annual surcharge fee for funding capital improvements and major maintenance needed at the Orleans Marina;

**WHEREAS**, the recommendation of the Marina Manager was presented to the Marina Committee at its meeting held on April 3, 2012;

**WHEREAS**, after considering the recommendation of the Marina Manager and hearing from several tenants and the Tenant Association of the Orleans Marina, the Marina Committee recommended that the term of the slip leases in the Orleans Marina be extended from one year to three years with the rent fixed at its current rate during the three year term, and that an annual surcharge fee be assessed during the three year term as follows: (1) an annual 10% surcharge fee shall be assessed during the first year of the three year term, which shall be used only for capital improvements and major maintenance at the Orleans Marina; (2) if the full amount of the 10% surcharge fee is not expended on capital improvements and major maintenance during the first year of the term of the Lease, the annual surcharge during the second year of the term of the Lease shall not exceed the percentage of the 10% surcharge expended during the first year of the term of the Lease; and, (3) the Management Authority, in its sole discretion, may impose a 10% surcharge fee during the third year of the term of the slip leases;

**WHEREAS**, the Management Authority after considering the recommendation of the Marina Committee resolved that it is in the best interest of the Orleans Levee District to approve the recommendation of the Marina Committee on the slip leases in the Orleans Marina, and in addition to authorize an annual cancellation clause in favor of the tenants of the slip leases in the Orleans Marina.

**BE IT HEREBY RESOLVED**, that the Management Authority approves effective July 1, 2012, the recommendation of the Marina Committee for the slip leases in the Orleans Marina, as set forth above, and further authorizes the inclusion of an annual cancellation clause in favor of the tenants of the slip leases in the Orleans Marina.

**BE IT FURTHER RESOLVED**, that the Management Authority Chairman or Executive Director be and is hereby authorized to sign any and all documents necessary to carry out the above.

**AYES:** ERNST, BAUDY, HOFFMAN, HEATON, STACK, BRIEN, DUFRECHOU, TRASK, SAIZAN

**NAYS:**

**ABSTAIN:**

**ABSENT:** LUPO, HASSINGER, CANTRELLE, DEROUEN

**RESOLUTION ADOPTED:** YES

**Motion No. 07-051712 – For approval of contract with URS/DEI for signage/marketing plan in compliance with Part 139 funding provided by FAA/AIP grant**

This motion is for approval to contract with URS/DEI for the creation of a new signage/marketing plan and development of bid documents to put marking and signage in compliance with Part 139 requirements. Funding is to be provided by the FAA/AIP Grant.

Commissioner Saizan stated that this would ensure that the signage at Lakefront Airport is 139 compliant. Chairman Lupo is working with the FAA to get uniform signage for the FBOs, hangars and the Airport in general. Mr. Capo noted that URS went out for seal coat and markings last year, but those markings would not have been 139 compliant. With the FAA's approval, these two projects will be merged together so the signage that is put down before the seal coat is applied will be 139 compliant.

Motion No. 07-051712 by Commissioner Saizan, seconded by Commissioner Heaton was unanimously adopted to wit:

**MOTION:** 07-051712

**RESOLUTION:** 07-051712

**BY:** COMMISSIONER SAIZAN

**SECONDED BY:** COMMISSIONER HEATON

May 17, 2012

**RESOLUTION**

**WHEREAS**, the Non-Flood Protection Asset Management Authority ("Management Authority") was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010 and is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee;

**WHEREAS**, the New Orleans Lakefront Airport located on Stars and Stripes Boulevard in the City of New Orleans is one of the non-flood protection assets of the Orleans Levee District managed by the Management Authority;

**WHEREAS**, the Management Authority issued a Request for Qualifications for aviation, engineering and/or architectural consultants to develop architectural and engineering services for the Lakefront Airport Development Projects for creation and development of bid documents to put markings/signage in compliance with FAA Part 139 (the "project");

**WHEREAS**, funding for the Project shall be provided by the Federal Aviation Administration pursuant to a FAA Airport Improvement Project Grant;

**WHEREAS**, URS Corporation, a professional engineering firm, with subcontractor, Design Engineering, Inc., was selected for recommendation to the Management Authority to provide the engineering and construction administration services for the project by a committee appointed by the Executive Director of the Management Authority;

**WHEREAS**, the selection process for a firm to provide the requested professional services was conducted in accordance with the FAA Advisory Circular 150/5070-6B and 150/5100-14D;

**WHEREAS**, URS shall only provide services pursuant to Task Orders specifying the scope of professional services to be rendered and compensation for services approved by the Management Authority;

**WHEREAS**, the Management Authority considers it to be in the best interest of the District to approve a Professional Services Contract with URS;

**BE IT HEREBY RESOLVED**, that the Management Authority approves a Professional Services Contract with URS for the project under the terms and conditions set forth above; and

**BE IT FURTHER RESOLVED**, that the Management Authority Chairman or Executive Director be and is hereby authorized to sign any and all documents necessary to carry out the above.

**AYES:** ERNST, BAUDY, HOFFMAN, HEATON, STACK, BRIEN, DUFRECHOU, TRASK, SAIZAN

**NAYS:**

**ABSTAIN:**

**ABSENT:** LUPO, HASSINGER, CANTRELLE, DEROUEN

**RESOLUTION ADOPTED:** YES

**Motion No. 08-051712 – For approval to renew property and flood insurance coverage for Fuel Farm.**

This motion is to approve the renewal of the property and flood insurance coverage for the Fuel Farm with Lloyd's QBE Specialty Insurance Company through Morrison Insurance Agency, at an estimated annual premium of \$59,179.05, excluding terrorism coverage, for the period commencing on May 30, 2012 and expiring May 30, 2013. Chairman Hoffman noted that all policies were reviewed at the first Insurance Committee meeting two weeks ago. The Authority is trying to align all policies to coincide with the fiscal year, but this particular policy ends one month short.

Mr. Maddox informed the members that a 13 month policy was sought, but to no avail. The underwriter wanted three months of the premium because the July 1 expiration date includes two separate wind seasons. It is an unfortunate situation and the Authority should not spend \$15,000 for one month to satisfy a fiscal year consideration. The policy is good for an annual premium and the Authority is not spending any more money than expected.

Motion No. 08-051712 by Commissioner Saizan, seconded by Commissioner Hoffman was unanimously adopted to wit:

**MOTION:** 08-051712

**RESOLUTION:** 08-051712

**BY:** COMMISSIONER SAIZAN

**SECONDED BY:** COMMISSIONER HOFFMAN

May 17, 2012

**RESOLUTION**

**WHEREAS**, the Non-Flood Protection Asset Management Authority ("Management Authority") was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010, and is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District;

**WHEREAS**, the Property and Flood Insurance coverages for the New Orleans Lakefront Airport's Fuel Farm will expire on May 30, 2012;

**WHEREAS**, Morrison Insurance Agency, through its President, Randy Maddox, shopped the market for said coverages, and obtained a quote for \$2,445,000 of Real Property/Fuel Tanks and \$385,000 in Business Interruption on the loss of fuel farm sales, from Lloyds/QBE Specialty Ins. Co. at an annual premium of \$59,179.05 excluding Terrorism coverage; and \$64,954.05 including Terrorism coverage; and,

**WHEREAS**, the premium quote was received on May 14, 2012 which was after the Airport Committee meeting that was held on May 1, 2012 and the next Airport Committee is not scheduled until June 6, 2012, and due to expiration of the policy on May 30, 2012, it is in the best interest of the Management Authority and the Orleans Levee District to approve the renewal of the property and flood insurance policies with Lloyds/QBE Specialty Ins., Co.

**BE IT RESOLVED**, that the Non-Flood Protection Asset Management Authority authorizes the procurement of the property insurance for the New Orleans Lakefront Airport Fuel Farm, through Morrison Insurance Agency, Inc., with Lloyds/QBE Specialty Ins. Co., at an estimated annual premium of \$57,179.05, excluding terrorism coverage, for the period May 30, 2012 and expiring May 30, 2013; and,

**BE IT FURTHER RESOLVED**, that the Management Authority Chairman or Executive Director be and is hereby authorized to sign any and all documents necessary to carry out the above.

**AYES:** ERNST, BAUDY, HOFFMAN, HEATON, STACK, BRIEN, DUFRECHOU, TRASK,  
SAIZAN

**NAYS:**

**ABSTAIN:**

**ABSENT:** LUPO, HASSINGER, CANTRELLE, DEROUEN

**RESOLUTION ADOPTED:** YES

## **PRESENTATIONS**

### **Powering the Lakefront Pump Stations**

Bruce Thompson advised that the Mayor of the City of New Orleans requested a study from the Sewerage & Water Board. At the Mayor's request, the study began approximately 10 months ago.

One thing that jumped off of the page when the study began was that the Corps of Engineers has a \$700 million project at the Lakefront to provide power for the permanent pump stations. The question of how to power the pump stations at the Lakefront brought up the question of how to save millions of dollars, increase the reliability and reduce the risk, all in an environmentally conscious way.

The design/build process gives the winning design/engineering/constructing company the ability to state their proposal, present their design, advise of proprietary methods to anchor the permanent pump stations to place them out of harms' way, to protect the public and to provide power in accordance with the specifications. The Corps will evaluate this on several criteria - not price - but performance, O&M and aesthetics as well as providing the future capability for Options 2 and 2A for removal of the interior pumping stations. This presentation will not address design of the permanent pump stations (PCCPs), but how to power them.

The west closure complex is diesel with a 50,000 horsepower diesel generator. The combination of the three pumping stations at Lakefront will be 1½ times larger than that pumping station.

The PCCPs will be located at the Lake at the head of the suction side of the discharge canals. The Corps is proposing to install diesel electric generator stations (next to the pumping stations) that would then generate electricity. These would be similar in size to those at the west closure complex. The electricity would then turn the pumps at the PCCPs. The electric pumping stations provide electricity to the pumping stations via diesel gen sets. If there is a diesel engine it is necessary to have diesel fuel. The Corps will then install tank farms next to each diesel station. This will result in three buildings for the PCCPs, three buildings for the diesel generation stations and three tank farms - nine pieces of building equipment as opposed to three at each site.

To supply the diesel tank farms tank trucks will be used to carry approximately 9,000 gallons of diesel fuel as there are no railroad tracks or diesel lines at the Lakefront. Stations will run five days on independent energy. It was calculated that between 750,000 to 1,000,000 gallons of diesel will be stored in those tank farms along the Lakefront. As diesel has a one year shelf life it requires the diesel be taken out, refreshed and brought back in yearly.

There is a better way to do this. The electric pump stations are critical to Options 2 and 2A. How do we do this? The central power facility for the Sewerage & Water Board (S&WB) is the Carrollton Facility located on Claiborne Avenue. With that facility are existing fuel sources and two 10 inch, 200 pound underground natural gas pipelines along with a third line that provides 80 pound

gas. The age of the piping is approximately 1½ years (10 in. 200 lb. line) and 6 months (2<sup>nd</sup> 10 in. 200 lb. line). It is unknown how old the 80 lb. line is. The Corps of Engineers spent \$250 million to harden the infrastructure, power plants and pumping stations in Orleans Parish. It would be more efficient to have this one central facility for personnel, resources, fuel and power

The Sewerage & Water Board presently has dual fuel boilers to maintain diesel on site. Diesel is brought by fuel transport (truck) or S&WB has a rail spur so diesel can be brought in by rail. To get power to the stations the S&WB presently has 140 miles of underground cable running through all pumping stations in the City from that central facility. This has been done for 100 years on hundreds of pumps with 100% reliability. Our recommendation is to centralize power using existing underground natural gas supply, distribute electricity to the permanent canal pumps and forward it to the pump stations via underground wiring. The S&WB will save \$12 million annually using this method.

The three bottom line issues are:

1. Cost (redundant fuel systems would be used)
2. Reliability (no single point of failure, more reliable than the Corps proposal) and Savings (excess of \$12 million annually) and 3)
3. Environmental (vast improvement with pollutants, particulates, noise and transport).

The Corps of Engineers are influenced by public opinion and the best interest of the public. The public's voices need to be heard so the elected officials serving the public have their voices heard by the Corps of Engineers.

It is unlikely the Corps will award the contract to CVY as the Corps is taking the position to re-bid to three bidders: Bectel, PCCP and CVY. The three bidders offered a re-bid and CVY filed suit. The most likely option is to allow the re-bid at which point the public and S&WB can approach the bidders and inform the bidders that this is the preferred option. The research for this method has been performed in concert with the S&WB. The Corps is opposed to this method although the Corps' position has not been fully articulated. The response was from the New Orleans District, Colonel Ed Flemming, as it is ultimately Col. Flemming's decision on how the project moves forward.

Commissioner Dufrechou noted that the concern of Lakefront residents is the physical footprint of the proposed pumping stations. Mr. Thompson's method sounds extremely positive environmentally and economically as the only additional expense would be to extend the power lines. This method is significantly less and is not an eyesore. Mr. Thompson advised that the amount of power necessary to run the PCCPs does not currently exist in the S&WB. Additional power must be built and lines must be extended.

Commissioner Heaton questioned if Mr. Thompson's congressional delegation (state and local) has seen the presentation. Mr. Thompson advised that this study was uncovered for the Mayor although there are much larger power issues relative to the S&WB. This was brought to the Mayor's attention and his staff is evaluating the issue. Mr. Thompson has been in constant communication with the Mayor's office the last 6-8 months. The Mayor's office has not taken a strong position as they are waiting to see how the structure develops. The S&WB and City have been notably passive. The S&WB has not taken a position although several people on the Executive Staff recommend this method as this is a huge issue for the S&WB.

Mr. Thompson and Mr. Marshall would like to see City leadership support this issue. The three main objections which are cost, environmental and reliability have been taken to third parties along with the DOE and the Houston Advanced Research Center, who have given us enormous leverage and have advised that the estimated savings of \$12 million is conservative.

Mr. Thompson advised that in the Corps' Environmental Impact Study the two fuel storage tanks by the pumping stations were not addressed. The Corps addressed traffic during construction and impact during construction, the impact of trucks after construction is operational and is for the S&WB to address.

Mr. Thompson noted that the issue is being addressed as part of public awareness. Without significant public push this will not change. This is the first public outreach presentation and The Levee Board or Southeast Louisiana Flood Protection Authority East is next. The EIS is usually good for five years and it has been approximately three years so it will expire during the life of this contract. Issues needs to be addressed now such as why the Corps is going to bring all of this in here, where the pollution will go and is there an alternative.

Mr. Thompson advised of a 100 page published report regarding this issue which is all about recommendations. Commissioner Heaton requested that the report be appended to the official Board meeting minutes. Chairman Hoffman suggested that a brief report that can be used to discuss the issues at neighborhood meetings would be beneficial. A fuel tank containing 300,000 gallons of fuel sitting in your neighborhood is a scary thought.

Mr. Thompson informed that the design/build phase only showed an outlined footprint of the overall area, it does not show the location of the tanks next to the pumping stations. The public at this point has no idea of the tanks that are to be located next to the pumping stations. It is out of the public's hands unless there is a ground swell going. Commissioner Heaton noted that the bigger challenge is public awareness.

### **PUBLIC COMMENTS**

Jim Dartez, resident of Lake Terrace, stated that the main problem is the Corps whom the public has dealt with through the entire process of the pump station design. We have brought the Corps new designs out of Europe from people who understand pumps along with new technologies and the Corps closed their eyes. The Corps' plan is in stone and they will not go any further. It will take a body like this Board and many more to join in unison and fight this thing. The people will speak, but the Corps does not listen as the people have meant very little to the Corps during the early years. Mr. Dartez would like to see this Authority assist in bringing other people into the picture so the voices can be heard.

Ray Landeche noted that residents would like to see the footprint reduced along with a more friendly pumping station. The community has been beating heads against the wall with the Corps. If Mr. Thompson has a better presentation it needs community support.

Roy Arego advised that he reviewed the matter closely and discussed the issue with Mr. Thompson who addressed issues such as redundancy. The Corps never addressed the tank farms at any previous meetings. The resulting operation and cost would be a big issue to the Flood side which issue has not been addressed at this point. One central location for maintenance and operation would reduce the cost of maintenance as this method eliminates having three different locations for maintenance. This is a very sound plan.

Chairman Hoffman noted that each committee would be updated on the issue and members would exchange ideas and speak to constituents and legislators to spread the message on this issue. Commissioner Dufrechou suggested the Corps make a presentation at the June 21 Board meeting as this could make a tremendous impact on the Lakefront. Commissioner Stack added that it is important the Authority hear from the Corps on this issue. The concept sounds good and Commissioner Stack stated that he is not opposed

Chairman Hoffman suggested Mr. Capo invite the Corps to present the Corps' side to this matter. Commissioner Heaton requested a true rendering of the magnitude of the tanks because the community as a whole is not aware of this.

#### **NEXT BOARD MEETING**

The next full Board meeting of the Non-Flood Protection Asset Management Authority is scheduled for Thursday, June 21, 2012 at 5:30 p.m.

#### **ADJOURNMENT**

Commissioner Hassinger offered a motion to adjourn, seconded by Commissioner Hoffman and unanimously adopted.

The meeting adjourned at 6:51 p.m.